

Meeting Report
Budget Review Meeting
Wednesday, October 20, 2010
Penn Room

Attending: V. Spencer, J. Waltman, D. Reed, F. Acosta, L. Kelleher, M. Goodman-Hinnershitz, D. Sterner, S. Marmarou, F. Denbowski, C. Younger, C. Geffken, C. Weidel, D. Hoag, C. Jones, K. Zeiber, R. Johnson

Mr. Acosta, Finance Committee Chair, called the meeting to order at 4:40 pm.

Recycling

Mr. Geffken asked Council to delay the discussion about Trash and Recycling services until the Administration determines if the cost of both programs must be increased. A recommendation will be made to Council on Monday, October 25th.

Follow-up Budget Questions

Mr. Geffken stated that he will respond to the follow-up questions on Saturday, October 23rd.

Property Tax Billing – Council requested information on the effect and pros/cons, along with a list on the difference between the services the Tax Claim Bureau previously provided and the services they will offer now. The need to have the Tax Claim Bureau present was also requested. Mr. Geffken was asked to arrange a meeting on Wednesday, October 27th at 4:30 p.m. Council also identified the need to dedicate an hour for discussion on property tax collection and an hour for EIT collection.

Per Capita Collection – Ms. Weidel stated that as Berks EIT does not perform Per Capita collection services that the billing will continue to be done by the City.

Housing Permit Collection – a snap shot on collection and enforcement was requested.

Franchise Fee – Mr. Cituk was asked to review this line item and provide a projection.

PILOT – As the Act 47 Recovery Plan expects an increase to occur in 2011 a plan will need to be identified quickly. Mr. Denbowki stated that he is preparing a letter. Council suggested developing a strategy before the letter is issued such as informing the agencies that the PILOT payment will be applied to recreation or some other service area. Council also suggested that the Administration review the agreements that were in place in the 80s that required a specific level of financial contribution for a stated

period. Council also suggested that Councilors write individualized notes on the letters to personalize them and then follow up with the agencies.

Admissions Tax – Mr. Cituk was asked to review this line item and provide a projection.

Goals – Mr. Geffken stated that budget goals are being prepared. He suggested allocating funding for the development of a City Strategic Plan that will contain vision and drive budget goals and outcomes. Mr. Waltman expressed the belief that the budget message should contain two-three main goals for the upcoming year with results reported in the Administration's bimonthly reports to Council throughout the year.

Aggregate summary of each expense area by category - will be provided Saturday, October 23rd.

Breakout of Fringe Benefit area - will be provided Saturday, October 23rd.

IT Division

Mr. Geffken stated that the salary line item is reduced by \$17,030 as all IT employees will have a 2.5% pay reduction as they earn more than \$50,000 and are management employees. He explained that the Consulting Services line item is required as the new PDS 3.2 payroll system is going live. Due to the Act 47 Recovery Plan requirement for payroll to be outsourced, the need for further upgrades is currently unknown. He stated that all areas of IT were carefully reviewed and decreased based on trends.

Public Works Department

City Garage – Overtime was increased by \$5,000. The largest expense is gasoline. Mr. Zeiber stated that a slight decrease is projected as the City has fewer employees; therefore, the City has less vehicles in use. He explained that the new Repair to Damaged Property covers City vehicles involved in accidents. The expense will be reimbursed by Risk and Safety.

Traffic Engineering – this area was moved to Highways. The projection for Street Light repair is based on current costs. The Act 47 Recovery Plan suggests that the City take over the Met Ed lights as the City receives discounted pricing. Public Works staff is investigating. Ms. Reed suggested exploring the use of bullet-proof shields for the street lights. Mr. Zeiber noted the plan to increase the number of street lights in the down town area.

Public Works Administration – Mr. Jones stated that this area covers the Director and secretary. He explained that the lease line item covers the cost of the lease payment to the Reading Redevelopment Authority. He explained that the Redevelopment Authority funded the project and the City is repaying the loan over a 20 year term with 15 years remaining.

Engineering – area transferred to the sewer area.

Highways – Mr. Geffken stated that the fringe benefit in 2010 was not adjusted to reflect those employees transferred to Recycling. Mr. Zeiber stated that the lease for two (2) additional street sweepers is ending. The City currently runs six (6) sweepers.

Parks – temporary wages was added to cover part-time summer help, which is needed to handle park maintenance. General Plant and Contracted Services was reduced based on spending trends.

Recreation – only minor reductions occurred and were based on spending trends. Recreation staff was congratulated for continuing to provide recreation programs while dealing with annual reductions. Council noted that the reductions have also eliminated the variety of recreation programs that were offered in years past. Council also questioned if the reduced programs and reduced costs has not contributed to the rising costs in the criminal justice services system. Mr. Denbowski updated Council on the exploration to form a separate Recreation Commission similar to that used in Lancaster. Council also suggested exploring sponsorships from groups who regularly use the various recreation facilities.

Mr. Sterner and Ms. Goodman-Hinnershitz left the meeting due to conflicting appointments.

Public Property – Mr. Jones stated that the City is planning to install water meters in all City public buildings on a phased in basis. He stated that the City's landline phone system was switched to CISCO to save money. The Nextel service provided "walkie-talkie" service for various employees. The cell phone service provider was changed to a more cost effective provider.

Sanitary Sewers – this area includes everything but the WWTP area. The City is considering renaming this area "Sewers" so it can contain the entire service. There were minimal reductions at the WWTP. The Water Service line item covers the cost of the water used in the wastewater treatment process due the fact that this cost can be billed to the system users. The Fees line item covers the bio-solid disposal program. Minor

Capital and Contingency line items cover the replacement of small capital-type equipment that must be replaced to keep the plant running smoothly and effectively. The Meter Reading expense was not included in this year's budget. Mr. Jones and Mr. Johnson suggested adding this line item to the budget to cover the cost for this service.

The meeting concluded at approximately 6 pm.

Respectfully submitted by Linda A. Kelleher CMC, City Clerk

FOLLOW UP ITEMS

1. CORRECTION – add Meter Reading Expense to WWPT Budget
2. Consider bullet-proof shields for street lights
3. Consider sponsorships for recreation facilities
4. Develop PILOT Strategy
5. Consider taking on Met Ed street lights